

Internal Revenue Service
District Director

Department of the Treasury
[REDACTED]

Date: DEC 14 1984

Our Letter Dated:
[REDACTED]

Form:
[REDACTED]

Tax Years:

Beginning with the tax year
ended [REDACTED]
and all subsequent years.

Person to Contact:
[REDACTED]

Contact Telephone Number:
[REDACTED]

[REDACTED]

On the above date we wrote you about your Form 1023, Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code. In that letter we explained why it appeared that you filed your application for tax-exempt status under the wrong Code section. We suggested that you send us a new application under Code section 501(c)(7). To date we have not received the new application or a reply.

We have therefore considered your initial application and propose to deny your request for tax-exempt status as an organization described in Code section 501(c)(3). The enclosed Form 6265, Statement of Proposed Adverse Determination, contains the applicable facts, law, and argument for our determination. Under Code section 6104(c), we will notify the appropriate State officials of this action.

Contributions to your organization are not deductible under Code section 170.

The enclosed Publication 892, Exempt Organization Appeal Procedures for Unagreed Issues, explains your appeal rights. Unless we hear from you within 30 days from this date, this letter will be our final determination.

Section 7428 of the Code provides for bringing a suit for a declaratory judgment in the United States Tax Court, the United States Court of Claims, or the district court of the United States for the District of Columbia with respect to this determination. However, section 7428(b)(2) of the Code provides, in part, that "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of Claims, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

If you do not exercise your appeal rights, the Internal Revenue Service will consider it as failure to exhaust administrative remedies available to you within the Service. Therefore, you may lose your rights to a declaratory judgment under Code section 7428.

(over)


Letter 1316(DO) (9-79)

You are required to file Federal income tax returns on the form and for the years indicated in the heading of this letter. File these returns with your key District Director for exempt organization matters within 60 days from the date of this letter, unless a request for an extension of time is granted. We will not delay processing of income tax returns and assessment of any taxes due because of your bringing suit for declaratory judgment under Code section 7428. File returns for later tax years with the appropriate service center indicated in the instructions for those returns.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Thank you for your cooperation.

Sincerely yours,


District Director

Enclosures:
Form 6265
Publication 892

Department of the Treasury — Internal Revenue Service
Statement of Proposed Adverse Determination

Name and Address of Organization

Date

DEC 14 1984

Date Annual Accounting Period Ends

Date Incorporated or Formed

Application Form Number
1023

Internal Revenue Code Section
501(c)(3)

Employer Identification Number

Purpose of Organization

Unite and promote welfare and recreation of senior citizens.

Activities of Organization

Social Meetings

Bus trips

Other recreational programs and activities such as swimming, dance, arts and crafts, picnics, ect.

Fact, Law, and Argument

Section 501(c)(3) of the Internal Revenue Code exempts organizations ". . . organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, . . . no part of the net earnings of which inures to the benefit of any private shareholder or individual . . ."

Section 1.501(c)(3)-1(a)(1) of the Income Tax Regulations provides that in order to be exempt as an organization described in Section 501(c)(3) of the Code, an organization must be both organized and operated exclusively for one or more purposes specified in such section. If an organization fails to meet either the organizational test or the operational test, it is not exempt. Both organizational and operational tests have not been met.

(see attachment)

(If more space is needed, attach an additional sheet.)

The organizational test has not been met since their purposes are not exclusively charitable within the meaning of Section 501(c)(3) of the Code. Also, their articles lack a provision dedicating their assets to a purpose or purposes within the purview of Section 501(c)(3) of the Code.

The operational test has not been met because their activities are substantially recreational and social in nature.